

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512



**NOTICE OF RECEIPT OF THE
EMERGENCY PERMITTING PROPOSAL
FOR THE CALPEAK POWER-BORDER, LLC, PROJECT
Docket No. 01-EP-14**

On June 14, 2001, CalPeak Power-Border, LLC (CalPeak) filed an emergency permitting application for the Otay Mesa Border Project (Border). Supplemental information was submitted on June 15, and 18, 2001. The Energy Commission staff has reviewed the application and determined it is complete. This project is being reviewed under Public Resources Code section 25705, which grants the Energy Commission emergency permitting authority, and Executive Order D-26-01, issued February 8, 2001, and Executive Order D-28-01 issued March 7, 2001. **In Executive Orders D-26-01 and D-28-01 the Governor ordered the Energy Commission and other relevant state and local agencies to expedite review of proposed thermal power plants for construction and operation on an emergency basis by September 30, 2001.** Staff has begun an expedited 'fatal-flaw' analysis of the project. A hearing will be held in San Diego on June 28, 2001. Staff expects the Energy Commission to make a final decision on this project within three weeks. The application is available at <http://www.energy.ca.gov/sitingcases/peakers>.

This project is being considered outside of the Energy Commission's normal power plant permitting process. Under Public Resources Code section 25705, if the legislature or the Governor declares a state of energy emergency, the Commission has emergency authority to order the construction and use of generating facilities under terms and conditions it specifies to protect the public interest. This authority can be invoked only if the Legislature or Governor declares a state of emergency and the Commission determines that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency. The Governor declared a state of emergency on January 17, 2001. On February 8 and March 7, the Governor issued several executive orders and declared that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency.

In Executive Orders D-26-01 and D-28-01, the Governor ordered the Energy Commission to expedite the processing of applications for peaking and renewable power plants that can be on line by September 30, 2001. The Governor also declared that these projects are emergency projects under Public Resources Code section 21080(b)(4), and are thereby exempt from the requirements of the California Environmental Quality Act (CEQA). A summary of the emergency permitting process, including the proposed schedule, and a checklist showing the information required in an application, can be found on the web at <http://www.energy.ca.gov/sitingcases/peakers/documents/index.html>. A copy of this summary is enclosed.

PROJECT DESCRIPTION

CalPeak Power-Border, LLC (CalPeak) proposes to construct a simple-cycle peaking electric generation facility (Border, or the project), powered by an FT8 Pratt & Whitney Twinpac, consisting of two gas turbine engines and one 49.5 megawatt (MW) generator. Emissions will be controlled using Best Available Technology (BACT) via a selective catalytic reduction unit (SCR). The project will be located in the Otay Mesa area south of Otay Mesa Road, north of Airway Road, and between Route 905 and Sanyo Road. This site is within the City of San Diego, San Diego County.

The project will connect to an existing SDG&E substation at Otay Mesa via 1700 feet of new transmission line supported on new wood poles.

Natural Gas will be provided via a new 8-inch natural gas pipeline, to be constructed by SDG&E, along the project site access road right-of-way to an existing line at Sanyo Avenue. This new line will extend approximately 780 feet.

Potable water will be provided by the city through an agreement with the Otay Water District (OWD). Water is available via an OWD-owned 12-inch main at Sanyo Avenue. Water will be used principally for periodic evaporative cooling and will be recycled for that purpose on site. When needed, water will be used at a 10 gallon per minute rate. All water used will be treated through an on-site demineralizing filtration system. No process water will be discharged. All discharge water not recycled for use on-site will be collected by a contractor for off-site treatment. Since the facility is to be operated unmanned, no other discharges are anticipated.

An amended General Industrial Activities Storm water Permit will be obtained. Storm water flows from the site would be directed to the existing, natural, drainage path. Best management practices (BMP) will be implemented. Only limited and contained hazardous materials will be on site, reducing any risk of storm water contamination. Similarly, all oils kept on site for plant operations would be self-contained, and removed only by qualified personnel. A secondary containment area for the electrical power transformer will be provided for containment of any potential coolant oil leaks. This area will also contain storm water run-off from the transformer. An oily water separator will be provided on the storm water discharge line as a safeguard against any inadvertent discharge.

Aqueous ammonia (19.5 percent solution) will be the only significant hazardous material on site, stored in a vertically mounted 12,000 gallon single-wall tank, located in an appropriate concrete containment area. The containment will be equipped with ammonia detectors with automatic alarms.

Emissions of NO_x from the plant will be controlled to 3ppm through use of selective catalytic reduction (SCR) equipment.

A construction schedule of approximately 10 weeks is planned, and CalPeak plans commercial operation to begin prior to September 30, 2001.

PUBLIC PARTICIPATION

Staff has begun an expedited 'fatal-flaw' analysis of the project. A hearing will be held on June 28, 2001 in San Diego. The location of the hearing will be published, and posted on the project website. This hearing will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. A notice for this hearing will be mailed, but anyone interested in attending is encouraged to check the Energy Commission's Internet page at www.energy.ca.gov/sitingcases/peakers. This web site will include information on the status of the project, copies of notices and other relevant documents, and includes instructions for signing up for the project's email list-server. If you have questions or would like additional information on how to participate in the Energy Commission's review of the project, please contact Robert Worl, Siting Project Manager, at (916) 651-8853 or by e-mail at rworl@energy.state.ca.us.

If you want information on how you can participate in the Energy Commission's review of the project, please contact Ms. Roberta Mendonca, the Energy Commission's Public Adviser, by e-mail at pao@energy.state.ca.us. For information call toll free (800) 273-4459. Anyone requiring special accommodations to attend the hearing, please call Robert Sifuentes at (916) 654-5004, at least five days before the hearing. Technical or project schedule questions should be directed to Robert Worl, Siting Project Manager in the Systems Assessment and Facilities Siting Division, at (916) 651-8853, or by e-mail at rworl@energy.state.ca.us. The status of the project, copies of notices and other relevant documents are also available on the Energy Commission's Internet web page at <http://www.energy.ca.gov/sitingcases>. News media inquiries should be directed to Assistant Director, Claudia Chandler, at (916) 654-4989.

This notice of receipt has been mailed to property owners located adjacent to the project site and any of the project-related facilities. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the project's evaluation are available for review. If you want your name removed from the mailing list, please contact Mary Dyas, Siting Project Assistant, at (916) 651-8891, or by e-mail at mdyas.energy.state.ca.us.

AVAILABILITY OF THE APPLICATION

Copies of the application are available for public inspection at the following libraries:

Otay Mesa Branch
3003 Coronado Avenue
San Diego, CA 92154

Chula Vista Public Library
365 F Street
Chula Vista, CA 91910-2697

Copies are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Los Angeles, San Francisco, San Diego, Fresno, and Eureka. In addition, copies are being distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

DATE: _____

ROBERT L. THERKELSEN, Deputy Director
Systems Assessment & Facilities Siting

Mailed to property owner list.